

Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA

Division Director

Representativ	es Present During the Inspection	
OGM	Keenan Storrar	
Company	Vicky Miller	

Inspection Report

Permit Number:	C0150009
Inspection Type:	COMPLETE
Inspection Date:	Wednesday, September 23, 2015
Start Date/Time:	9/23/2015 10:00:00 AM
End Date/Time:	9/23/2015 1:00:00 PM
Last Inspection;	Thursday, May 28, 2015

Inspector: Keenan Storrar,
Weather: Sunny in the high 70's
InspectionID Report Number: 5307

Accepted by:

Permitee: PACIFICORP

Operator: ENERGY WEST MINING CO

Site: TRAIL MOUNTAIN MINE

Address: PO BOX 310, HUNTINGTON UT 84528

County: **EMERY**

Permit Type: PERMANENT COAL PROGRAM

Permit Status: INACTIVE

Current Acreages

Total Permitted	3,564.83
Total Disturbed	27.83
Phase I	
Phase II	
Phase III	

Mineral O	wnership	
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Types of Operations

✓ Federal	✓ Underground
✓ State	Surface
☐ County	Loadout
✓ Fee	Processing
Other	Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

A complete inspection was done at the Trail Mountain mine on September 23, 2015. Vicki Miller of Fossil Rock Resources and I first visited the waste rock site. A contractor was on site and using a road grader and a medium sized excavator to maintain diversions and road ditches. We then headed over to the mine site and walked its length to inspect portal seals and water conveyance systems. Afterwards we drove up Cottonwood Canyon and I was shown the locations of wells CCCW 1, 2, and 3.

Inspector's Signature

Keenan Storrar,

Inspector ID Number: 71

Date

Thursday, September



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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

- 1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
- 2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
- 3. Reference any narratives written in conjunction with this inspection at the appropriate performace standard listed below.
- 4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

		Evaluated	Not Applicable	Comment	Enforcement
1.	Permits, Change, Transfer, Renewal, Sale	~		~	
2.	Signs and Markers	~		~	
3.	Topsoil	~			
4.a	Hydrologic Balance: Diversions	~		~	
4.b	Hydrologic Balance: Sediment Ponds and Impoundments	~		~	
4.c	Hydrologic Balance: Other Sediment Control Measures	V			
4.d	Hydrologic Balance: Water Monitoring	V		~	
4.e	Hydrologic Balance: Effluent Limitations	~		~	
5.	Explosives		~		
6.	Disposal of Excess Spoil, Fills, Benches		V		
7.	Coal Mine Waste, Refuse Piles, Impoundments	~		~	
8.	Noncoal Waste	~			
9.	Protection of Fish, Wildlife and Related Environmental Issues	~			
10.	Slides and Other Damage	•			
11.	Contemporaneous Reclamation		✓		
12.	Backfilling And Grading	✓			
13.	Revegetation	V			
14.	Subsidence Control		✓		
15.	Cessation of Operations	V			
16.a	Roads: Construction, Maintenance, Surfacing	~		~	
16.b	Roads: Drainage Controls	~			
17.	Other Transportation Facilities	~			
18.	Support Facilities, Utility Installations	~			
19.	AVS Check	~			
20.	Air Quality Permit	V			
21.	Bonding and Insurance	~		V	
22.	Other		V		

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1. Permits, Change, Transfer, Renewal, Sale

Pacificorp sold the mine to Fossil Rock Resources LLC. a subsidiary of Bowie Resource Partners earlier this year. The permit transfer is being processed by the Division under Task ID #4975. During this transition period Fossil Rock Resources has assumed all responsibilities at the site including pond inspections, water monitoring, site maintenance, etc.

2. Signs and Markers

Fossil Rock Resources has posted a sign that meets the minimum signage requirements of R645-301-521.200.

4.a Hydrologic Balance: Diversions

The Permittee is adequately maintaining ditches and water conveyance systems at both the waste rock site and the mine site. At the mine site, all culverts inspected were clear of debris and are properly functioning.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The sediment ponds were inspected for this quarter on July 7th, 2015. The sediment ponds had very little sediment in them and had plenty of storage to treat a 10 year 24 hour event. The waste rock site had a small amount of water in it while the mine site pond was dry.

4.d Hydrologic Balance: Water Monitoring

Fossil Rock Resources has taken over water monitoring for the mine site.

4.e Hydrologic Balance: Effluent Limitations

There have been no discharges from the permitted UPDES outfalls at the site.

7. Coal Mine Waste, Refuse Piles, Impoundments

A waste rock pile quarterly inspection was done on July 7th and 31st of 2015,

16.a Roads: Construction, Maintenance, Surfacing

The water conveyance ditches at the waste rock site are in good working order and the road has been graded to properly drain water from its surface.

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21. Bonding and Insurance

The permit application meets the bonding requirements. The Divisions findings in Task #4975 shows a surety bond of \$1,154,000 has been posted with Ironshore indemnity Inc. SUR#60000342. Ironshore Indemnity Inc. has an "A" company rating with A.M. Best Rating Inc.

Fossil Rock Resources has provided a Certificate of Insurance. The Divisions findings in Task #4975 are as follows: "A Certificate of Insurance has also been provided listing Fossil Rock Resources, LLC, Canyon Fuel Company, LLC and Bowie Resource Holdings, LLC as Insured. The Insurer is National Union Fire and is licensed to do business in the state of Utah. A limit of \$2,000,000 is listed for each occurrence. Blasting and use of explosives is not excluded under the policy. The certificate holder is listed as the Division of Oil, Gas and Mining. The Description of Operations list the Fossil Rock Mine C/015/0009. The Certificate of Insurance meets the requirements of R645-301-890."